

EXHIBIT 5

PUBLIC REDACTED VERSION

(PREVIOUSLY FILED UNDER SEAL AT ECF 182-5)

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 1

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:)
)
) No. 2:21-cv-00563-JCC
VALVE ANTITRUST LITIGATION)
)

VIDEO-RECORDED DEPOSITION UPON ORAL EXAMINATION OF
SCOTT LYNCH

*** HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY ***

9:11 A.M.
THURSDAY, OCTOBER 12, 2023
701 FIFTH AVENUE, SUITE 5100
SEATTLE, WASHINGTON

Reported by: Tami Lynn Vondran, CRR, RMR, CCR/CSR
WA CCR #2157; OR CSR #20-0477; CA CSR #14435

1 software at Valve.

2 Q. The software that you referred to earlier by a
3 code name of Gazelle.

4 A. So when did somebody -- at what point was a
5 group -- a team working on a project called Gazelle and
6 writing code?

7 Q. Sure. Let's start there.

8 A. I don't know.

9 Q. You don't recall?

10 A. I really don't. I don't recall. It would
11 have been a long time ago.

12 Q. When did Valve decide to distribute games for
13 third parties?

14 A. When did we decide? We decided, I think, when
15 we did our first third-party game deal, which I think
16 was in 2005.

17 Q. Steam had been released prior to that; right?

18 A. Yes. Steam had been announced, I think, in
19 2003.

20 Q. Was that September of 2003?

21 A. That sounds in the right timeframe.

22 Q. And at that time, Steam was patching Valve's
23 multiplayer games, for instance?

24 A. No. We were patching our games through other
25 means.

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 30

1 Q. What was Steam doing when it was released
2 initially in September of 2003?

3 A. God, you really should talk to somebody that
4 worked on the Steam team. There may have been -- it may
5 have been a way for people to get updates. It's
6 possible updates were still being distributed through
7 old methods. I just really think you'd have to talk to
8 somebody on the Steam team to go back that far and kind
9 of talk in detail about what features under the name
10 Steam were available.

11 Q. Like who?

12 A. Well, I would probably talk to -- maybe John
13 Cook was working on Steam back then. Maybe Erik Johnson
14 might recall going back that far.

15 Q. Do you have an idea of what Steam was doing --
16 what the software was doing between September of 2003
17 and the first third-party published -- distributed
18 through Steam in 2005?

19 MR. CASPER: Object to the form of the
20 question.

21 A. What it was doing?

22 Q. (BY MR. SIEBERT) Yeah. What was its purpose?

23 MR. CASPER: Object to the form of the
24 question.

25 A. What was Steam's purpose?

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 31

1 I don't know. I'm not even sure I understand
2 the question.

3 Q. Is Valve in the habit of developing software
4 that nobody will use, that doesn't do anything?

5 A. That has happened.

6 Q. Can you give me an instance when?

7 A. Games that we never shipped.

8 Q. But the purpose of a game that never was
9 shipped is hopefully to ship it at some point; right?

10 A. Yeah. Theoretically, yep.

11 Q. Okay. Steam was released in September of
12 2003; right?

13 A. Yep.

14 Q. It was doing something at that time; right?

15 A. Yep.

16 Q. You have no idea what it was doing at that
17 time?

18 MR. CASPER: Object to the form of the
19 question.

20 A. Yep. Like I said, you know, you -- if you
21 want to know -- you want to talk in detail and try to
22 figure out going back 20 years exactly which thing Steam
23 was doing, probably the best person to talk to would be
24 an engineer working on Steam.

25 You've referenced game updating. It probably

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 32

1 was one of the things that Steam was doing. And I think
2 around that time -- I don't know if it was in 2003, but
3 there was a game Counter-Strike, I think, Condition Zero
4 that we might have shipped on Steam.

5 Q. (BY MR. SIEBERT) Counter-Strike is a
6 multiplayer game; right?

7 A. Yeah.

8 Q. Were Valve's multiplayer games hosted at that
9 time on something called the World Opponent Network?

10 A. No.

11 Q. Where were they hosted?

12 A. Well, they weren't -- by "hosted" -- what do
13 you mean by "hosted"?

14 Q. How was Valve patching or updating multiplayer
15 games such as Counter-Strike?

16 A. Oh, like where were we putting the patches so
17 that users could get them?

18 What timeframe are we talking about? 2003 or
19 before 2003?

20 Q. 2003, 2004.

21 A. Well, it would be best to talk to somebody
22 that was working on those patches and distributing those
23 patches. But, generally, you know, in the early days,
24 people would go to FTP download sites. So patches would
25 be distributed via a number of places. We would put the

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 33

1 patch out there, people would put it up on their
2 download sites and people would download it.

3 I don't know if -- what things you may have
4 been able to do and update via Steam with -- at that
5 time, because it was a long time ago, but Steam now
6 definitely does updates for games and has done it for a
7 long time.

8 I just can't remember back in 2003, you know,
9 which vehicles we were using to do updates. Steam may
10 have been one of them. FTP sites and download sites we
11 might have continued to use. It's just hard to remember
12 that long time ago.

13 Q. The International is coming up; right?

14 A. Yep.

15 Q. That's a Dota tournament?

16 A. Yeah.

17 Q. It's here in Seattle?

18 A. It is.

19 Q. Is Mr. Newell attending that?

20 A. I don't know. He likes to attend it.

21 Q. He likes to attend it, you said?

22 A. Yeah. He's a big fan.

23 Q. He likes Dota?

24 A. He does.

25 Q. Does he play?

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 34

1 A. He does.

2 Q. You would expect him to attend, given that he
3 likes it?

4 A. I don't -- I don't know. I really don't know
5 what his plans are. I haven't talked to him about it.

6 Q. Are you going?

7 A. I am going to go.

8 Q. Who's your favorite hero?

9 A. I don't have a favorite hero.

10 Do you want some tickets?

11 Q. Not particularly.

12 A. You're dropping hints.

13 Q. Mr. Lynch, was -- do you know whether or not
14 Valve was making patches available for games such as
15 Counter-Strike through the World Opponent Network?

16 A. No.

17 Q. You don't know one way or the other?

18 A. We were not.

19 Q. You don't believe you were?

20 A. No.

21 Q. At some point in 2005, Valve began
22 distributing third-party games through Steam; is that
23 right?

24 A. Yeah, that's what I recall.

25 Q. What was the first game?

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 35

1 A. I believe it was Rag Doll Kung Fu.

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 Q. Why did Valve begin distributing third-party
7 games through Steam?

8 A. Because the work that we had done with Steam
9 we thought could be valuable to third parties, other
10 than ourself. And that customers would enjoy it as
11 another alternative to buy games, and that -- we thought
12 there were a bunch of advantages for developers and
13 customers with online distribution versus traditional
14 packaged goods distribution.

15 Q. You mentioned the difference between online
16 distribution and traditional packaged goods
17 distribution.

18 What are those differences?

19 A. Well, there's -- there's lots of them.
20 There -- for one, you know, packaged goods distribution
21 is limited in terms of shelf space because, you know,
22 they're physical items that take up space.

23 You have to put the game on a piece of
24 plastic, CD-ROM, DVD, and then you've got to put it in a
25 box and make it in a factory. And then you have to ship

3	Yes.
---	------

8 **A.** **Yes.**

11 A. I think that is going to go to all Steam
12 partners with an existing distribution agreement.

13 Q. Do you see later in that paragraph where you
14 write, [REDACTED]

18	Q.		
----	----	--	--

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
---	---	---	---	---	---	---	---	---	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 100

1

[REDACTED]

2

[REDACTED]

3

[REDACTED]

4

[REDACTED]

[REDACTED]

5

[REDACTED]

6

[REDACTED]

7

[REDACTED]

8

[REDACTED]

9

[REDACTED]

10

[REDACTED]

11

[REDACTED]

12

Do you see that?

13

A. Yes.

14

Q. Did that happen?

15

[REDACTED]

[REDACTED]

16

[REDACTED]

17

[REDACTED]

18

Q. And this would have been in late November of

19

2018 and early December of 2018?

20

A. I don't recall who it might have been

21

discussed with earlier. Possibly earlier, but, yeah,

22

definitely some of those conversations about the change

23

would have happened in November and December of 2018.

24

Q. There were some developers or publishers who

25

were informed before this?

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 101

1 A. Possibly, yeah.

2 Q. Who would those people have been?

3 MR. CASPER: Object to the form of the
4 question.

5 A. Off the top of my head, I don't know.

6 Q. (BY MR. SIEBERT) You go on to write,

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 Do you see that?

11 A. Uh-huh.

12 [REDACTED]

13 [REDACTED]

14 A. Yeah.

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

18 A. If I remember, that was Ubisoft.

[illegible]

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

Page 103

1

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

■

21

22

23

24

25

Q. You're referring to Tim Sweeney?

A. Yeah.

Q. And that's the CEO of Epic?

A. Yes.

Q. Higher up in response to your email is an

1 email from Sean Vanaman.

2	A. Yes.
---	---------

3. [REDACTED]

7	Do you see that?
---	------------------

8 A. Let's see. Sorry.

9 Doesn't -- where does he say that? I looked
10 at the right page.

11 Q. Bates ending in 683, second paragraph.

12	A. Oh, okay.
----	--------------

13 (Witness reading to himself.)

14	Yes.
----	------

15 [REDACTED]

24	A. Yes.
----	---------

25 Q. And that's PR relating to the new Valve